

Message Text

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ACTION EUR-08

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INFO ALL EC CAPITALS PRIORITY 2715

AMEMBASSY BERN

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMCONGEN ZURICH

C O N F I D E N T I A L EC BRUSSELS 11070

LIMDIS

ROME PASS BOSWORTH

E.O. 11652: GDS

TAGS: ENRG, EEC

SUBJECT: EC CIEC PREPARATIONS; FRG AGREES TO PARTICIPATE IN
FOREIGN MINISTERS COUNCIL DISCUSSION ON CIEC

REF: A) EC BRUSSELS 11065, B) EC BRUSSELS 11011

1. SUMMARY: COMMISSION AND COUNCIL OFFICIALS TELL US THAT
THE FRG AGREED AT THE NOVEMBER 11 COREPER MEETING TO PARTICIPATE
IN POSSIBLE DECISIONS BY THE FOREIGN MINISTERS COUNCIL
CONCERNING CIEC ISSUES. THE COREPER CONSEQUENTLY SET ASIDE THE
COMMISSION PROPOSED STATEMENT TO CIEC PARTICIPANTS REGARDING
A DELAY IN EC CONSIDERATION OF MAJOR ISSUES UNTIL THE EUROPEAN
COUNCIL MEETING. THE FRG REPORTEDLY IS SEEKING A COMPREHEN-
SIVE EUROPEAN COUNCIL DISCUSSION OF ALL NORTH/SOUTH ISSUES.
OFFICIALS HERE SPECULATE THAT THE FRG HAS IN MIND LINKING
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CIEC CONCESSIONS TO POSSIBLE LIMITS IN AN INCREASE IN OIL

PRICES. END SUMMARY.

2. COMMISSION AND COUNCIL SECRETARIAT OFFICIALS TELL US THAT AT THE NOVEMBER 11 COREPER MEETING THE FRG AGREED TO PARTICIPATE IN THE NOVEMBER 15-16 COUNCIL'S SUBSTANTIVE DISCUSSION OF THE COMMISSION CIEC PROPOSALS (SEE REF A.). AFTER INTENSE PRESSURE BY OTHER COREPER MEMBERS, THE FRG ALSO RELUCTANTLY AGREED TO PARTICIPATE IN POSSIBLE COUNCIL DECISIONS REGARDING THESE PROPOSALS. COMMISSION OFFICIALS ARE HOPEFUL THAT THE COUNCIL MAY MAKE AT LEAST LIMITED PROGRESS IN AGREEING TO THEIR PROPOSALS. THE DUTCH AND COMMISSION PLAN TO SEEK COUNCIL AGREEMENT AT LEAST IN PRINCIPLE IN TWO PROPOSALS DESCRIBED IN REF A: 1) AN IMMEDIATE, ONE-TIME INCREASE IN ODA FOR SELECT LDCS, AND 2) IMPROVEMENTS IN THE PROCEDURES FOR HANDLING NON-ACUTE LDC EXTERNAL DEBT PROBLEMS. EC COUNCIL AND PERMDEL OFFICIALS, HOWEVER, DO NOT EXPECT THE FRG, AND PERHAPS OTHER MEMBER STATES, TO AGREE TO THESE PROPOSALS AT THIS TIME.

3. 3. THE COREPER DID NOT AGREE TO A COMMISSION PROPOSED COMMUNICATION TO CIEC PARTICIPANTS THAT THE EC WAS CURRENTLY IN A DEADLOCK ON MAJOR ISSUES AND WOULD HAVE NO FURTHER PROPOSALS TO OFFER UNTIL AFTER THE EUROPEAN COUNCIL. THE FRG CHANGE IN POSITION CAUSED COREPER TO DECIDE THAT SUCH A PROPOSAL WAS UNNECESSARY. IN ADDITION, THE FRG AND OTHERS DID NOT WANT TO CREATE POSSIBLE FALSE EXPECTATIONS. ISSUING SUCH A STATEMENT MIGHT IMPLY THAT THE EUROPEAN COUNCIL WAS PREPARED TO MAKE SUBSTANTIAL CONCESSIONS.

4. EC OFFICIALS SAY THAT COMMISSION OFFICIALS, INCLUDING DEVELOPMENT COMMISSION CO-CHAIRMAN WELLENSTEIN, CONTINUE TO PREDICT THAT THE NOVEMBER CIEC SESSIONS ARE HEADED FOR A CRISIS AND A POSSIBLE BLOW-UP IF THE G-8 DOES NOT MAKE SUBSTANTIAL CONCESSIONS. COREPER, ESPECIALLY THE FRG REPRESENTATIVE, BELIEVES, HOWEVER, THAT THE EC POSITION IS AS FAVORABLE AS OTHER MAJOR G-8 MEMBERS. THESE REPRESENTATIVES ADD THAT THE G-19, DESPITE ITS DISSATISFACTION, WILL LIKELY GO AHEAD WITH THE MINISTERIAL MEETING. SOME COREPER MEMBERS INDICATE THAT THE G-19 MIGHT PROPOSE HOLDING A SECOND MINISTERIAL MEETING IN LATE JANUARY

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OR FEBRUARY. THE MEETING REPORTEDLY AGREED TO TAKE NO INITIATIVE IN THIS REGARD AND TO CONTINUE TO SEEK CONCLUSION OF CIEC AT THE DECEMBER MINISTERIAL MEETING.

5. EC OFFICIALS SAY THE FRG SENT LETTERS TO THE NINE CALLING FOR A COMPREHENSIVE EUROPEAN COUNCIL DISCUSSION OF CIEC AND RELATED ISSUES. FRG REPRESENTATIVES EXPLAINED AT COREPER THAT MAJOR NORTH/SOUTH ISSUES - CIEC, MTN, COMMODITY NEGOTIA-

TIONS, A POSSIBLE OIL PRICE INCREASE AND LDC, AND EC
ECONOMIC AND FINANCIAL PROBLEMS - WERE INTERRELATED. THE EC
CONSEQUENTLY SHOULD NOT TAKE A PIECEMEAL APPROACH BY
PROPOSING CIEC CONCESSIONS WITHOUT FIRST CONSIDERING HOW SUCH
CONCESSIONS IMPACT ON OTHER ISSUES. OUR SOURCES SAY THE FRG
SUGGESTS THAT THE EUROPEAN COUNCIL SHOULD AGREE ON AN
INTEGRATED APPROACH TOWARD THESE VARIOUS ISSUES. THE COUNCIL
SECRETARIAT OFFICIALS SPECULATE THAT THE FRG HAS IN MIND
LINKING A CIEC PACKAGE OF CONCESSIONS TO AN UNDERSTANDING WITH
OPEC REGARDING THE RANGE OF INCREASE OF OIL PRICES. THESE
OFFICIALS BELIEVE SUCH A PROPOSAL WOULD HAVE TO BE DECIDED
AT THE HIGHEST POLITICAL LEVEL AND CONSEQUENTLY THE FRG WANTS
THE EUROPEAN COUNCIL TO MAKE THE MAJOR CIEC DECISIONS.
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